

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1389

Introduced by Assembly Member Ridley-Thomas

February 21, 2003

An act to add ~~Article 9 (commencing with Section 650) to Chapter 3 of Part 1 of Division 1 of Section 12123 to the Public Contract Code, and Sections 7911 and 7912 to the Public Utilities Code, relating to public utilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1389, as amended, Ridley-Thomas. Public utilities: rights and obligations: hiring : *purchases of goods and services.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities. The Public Utilities Act establishes the rights and obligations of public utilities under the jurisdiction of the commission. *Existing law establishes the rights and obligations of utility corporations and their employees, and requires each electrical, gas, and telephone corporation with specified gross annual revenues, to submit annually to the commission, a detailed and verifiable plan for increasing women, minority, and disabled veteran business enterprise procurement, requires the commission to establish guidelines to be used to establish programs to achieve established goals in those plans, and requires the commission to annually report to the Legislature on progress under these programs.*

This bill would provide that it is the policy of California, consistent with constitutional requirements, that the ~~tasks and duties necessary for the rendering of public utility service within the state be performed by~~

~~California residents~~ state, when exercising its proprietary role as a purchaser of goods and services from public utilities, act to promote the employment of California residents. The bill would require the commission to annually report certain information on each public utility, to the Legislature, and to make the information available to the public on its Internet Web site.

Existing law provides for acquisition of telecommunications goods and services by the state under the supervision of, the Department of General Services, which has sole responsibility for the establishment of tactical policy and procedures for telecommunications and data-processing acquisitions consistent with statewide strategic policy as established by the Department of Finance.

This bill would provide that it is the policy of the state, consistent with constitutional requirements, when purchasing telecommunications goods and services, to act to promote the employment of California residents.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Public utilities serve a vital function, providing basic
- 4 infrastructure essential to the efficient conduct of commerce and
- 5 societal interaction.
- 6 ~~(b) Because of the essential nature of public utility services and~~
- 7 ~~the economics of the production of public utility services, state~~
- 8 ~~policy has shielded the public utilities from competition by~~
- 9 ~~granting the public utilities monopolies within their service areas.~~
- 10 ~~(c) Though public utility markets have been increasingly~~
- 11 ~~subject to competition, the public utilities have nevertheless~~
- 12 ~~retained distinct competitive advantages versus their competitors~~
- 13 ~~because of actions taken by the Public Utilities Commission.~~
- 14 ~~(d) In exchange for the state's granting of public utility~~
- 15 ~~monopolies or near-monopolies, the public utilities bear a~~
- 16 ~~heightened responsibility for contributing to the public interest.~~
- 17 ~~(e)~~
- 18 (c) The public interest has been interpreted to include
- 19 providing an adequate level of public utility service at a just and



1 reasonable rate. This interpretation has not explicitly included a
2 consideration of the benefits of public utility employment to the
3 state and its residents. A more complete interpretation of the public
4 interest would give this consideration some weight.

5 ~~(f) Given the current poor economic climate and the high~~

6 *(d) Given the difficult economic climate and the increasing*
7 unemployment rate within the State of California, it is necessary
8 and proper state policy to encourage the employment of
9 Californians ~~and discourage the employment of non-Californians~~
10 by California's public utilities.

11 ~~(g) The Public Utilities Commission has broad powers to~~
12 ~~regulate the practices and rates of public utilities.~~

13 *(e) The state, when exercising its proprietary function of*
14 *purchasing goods and services, should make purchases that*
15 *promote the employment of California residents and not do*
16 *business with utility corporations that shift jobs outside of*
17 *California.*

18 *(f) The Public Utilities Commission should monitor and*
19 *annually report to the Legislature, information showing the level*
20 *of employment of California residents by public utilities, so that the*
21 *state can make knowledgeable proprietary decisions when*
22 *purchasing utility goods and services.*

23 SEC. 2. ~~Article 9 (commencing with Section 650) is added to~~
24 ~~Chapter 3 of Part 1 of Division 1 of the Public Utilities Code, to~~
25 ~~read:~~

26
27 ~~Article 9. Hiring.—~~

28 ~~650.—Section 12123 is added to the Public Contract Code, to~~
29 ~~read:~~

30 *12123. It is the policy of the State of California, consistent*
31 *with the federal and state constitutions, that the state, when*
32 *exercising its proprietary role as a purchaser of*
33 *telecommunications goods and services, act to promote the*
34 *employment of California residents.*

35 SEC. 3. ~~Section 7911 is added to the Public Utilities Code, to~~
36 ~~read:~~

37 *7911. It is the policy of the State of California, consistent with*
38 *the federal and state constitutions, that the tasks and duties*
39 *necessary for the rendering of public utility service within the state*
40 *shall be performed by residents of California. state, when*

1 *exercising its proprietary role as a purchaser of goods and services*
2 *from public utilities, act to promote the employment of California*
3 *residents.*

4 *SEC. 4. Section 7912 is added to the Public Utilities Code, to*
5 *read:*

6 *7912. The commission shall annually report to the Legislature*
7 *and within a reasonable time thereafter, make available to the*
8 *public on its Internet Web site, information for each public utility,*
9 *showing all of the following:*

10 *(a) The number of customers served in California by the public*
11 *utility.*

12 *(b) The percentage of the public utilities' total domestic*
13 *customer base that reside in California.*

14 *(c) The number of California residents employed by the public*
15 *utility, calculated on a full-time or full-time equivalent basis.*

16 *(d) The percentage of the public utilities' total domestic*
17 *workforce, calculated on a full-time or full-time equivalent basis,*
18 *that reside in California.*

19 *(e) The capital investments made by the public utility in*
20 *California during the yearly reporting period.*

